

19 August 1960
DBR-115

C & J Equipment Co.
Box 167
La Canada, California

Subject: Proposal to Modify "B" Equipment

Reference: (a) C & J Equipment Company Purchase Order 7001
(b) DMI Job No. 35, Technical Report dtd 26 Feb 60

Enclosure: (1) Cost Analysis, Item 1
(2) Cost Analysis, Item 2
(3) Cost Analysis, Item 4
(4) Schedule of equipment to be Delivered by DynaMetric, Inc.
(5) Preliminary List, Special B Unit Handling and Support
Equipment to be Furnished to DynaMetric, Inc.
(6) Detailed Description of Modifications
Appendix I, List of Surplus Equipment Requested

Gentlemen:

DynaMetric prepared a study for C & J Equipment Company for possible modification of existing "B" units for special use. In our proposal dated 26 February 1960, we quoted on "necessary engineering and manufacturing to modify one B unit" and also modification of three additional units along with spare parts.

The purpose of this quotation is to bring our proposal up to date and to incorporate certain changes as discussed. This proposal, therefore, covers the modification of a total of three units, rather than four units, and for five window rather than four window operation. Also included is the Test Site Engineering estimate, special setup cost, a list of special handling equipment and a request for certain machine tools and equipment out of the surplus inventory.

Modification of the "B" units in accordance with the DynaMetric Technical

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Report dated 26 February 1960 (five window version) can be accomplished on a CPFF basis as follows: (See Enclosure (6) for Detailed Description of Modifications.)

<u>Item</u>	<u>Description</u>	<u>Estimated Price</u>
1	Perform necessary Engineering and Manufacturing to Modify One (1) "B" Unit in accordance with DynaMetric Technical Report, 26 February 1960; provide handbook and schematic revisions to "good commercial practice;" provide one (1) each Electrical Test Set Adapter for field use.	\$ 92,965.06 (including fee)
2	Modify two (2) each "B" Units in accordance with engineering established on Item 1 above @ \$31,330.67 ea.	\$ 62,661.34 (including fee)
3	Spare parts estimated at 5% of Items 1 and 2 above	\$ 7,781.32
4	Test Site Engineering Support for Flight Test phase	\$ 18,043.41 (including fee)
5	Special Setup Costs	\$ 17,500.00
	Total	\$198,951.13

Delivery of the first unit can be made within ten (10) months of authorization to proceed and supply of first unit to DynaMetric for modification. Delivery of units two and three will be made at 30 day intervals three months after completion of the first unit, providing they are in DynaMetric's plant at least 150 days prior to delivery. Spares will be delivered concurrently with the basic equipment. Enclosure (4) lists equipment and data to be provided by DynaMetric under this program.

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It is requested that one each "B" unit be shipped to our factory as soon as possible, with the schedule on the remaining two units to be established at a later date. Shutters on these units are separate items that also require modification within the quoted price. It is desirable that one shutter be shipped to us immediately with the remaining units up to a total of nine shutters to follow as may be convenient along with sufficient other equipment spares for one year's operation.

Test Site Engineering support for the Flight Test Phase of this program has been quoted as Item 4. It is estimated that the Engineering Support program will expend approximately nine man months. Per diem at the rate of \$9.00 per day is included while personnel are located at the Flight Test Facility. Per diem at other than the Flight Test Facility will be at \$15.00. Transportation, where applicable, will be charged at .08 per mile, or at billed vehicle rental rates. We are also interested in providing continuing Field Service which we will quote separately.

As discussed, there are certain setup costs which are peculiar to the nature of this contract and the equipment to be delivered. This includes rearrangement of our facilities to meet the requirements for security compartmentization in lab, production and engineering areas, installation of an ADT system, provision for special dust and temperature control in the vault and means for conducting certain environmental tests within the secure area. These setup costs are estimated at \$17,500 and will be billed at an actual cost basis.

Enclosure (5) is a list of ground handling equipment needed in our factory handling of the "B" units. As the job progresses, it is possible that additional items of this existing ground handling and support equipment may be required. It should be noted that most of this same equipment will be utilized in the field during flight test operations. We believe that the present existing Field Handling Equipment will be suitable for use on this new program.

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This proposal does not include any provision for the establishment of a Maintenance and Overhaul program, although we are interested in providing this service as it becomes necessary.

To facilitate the economical progress of this program it is suggested that suitable machine tools and equipment which may be available as surplus from other governmental programs be provided to this contractor. A list of such equipment has been prepared and included in Appendix I. It is requested that DynaMetric review this list with cognizant personnel to assist in selection of equipment which will have maximum usefulness to this program.

DynaMetric is currently performing on Cost-Plus-Fixed-Fee type contracts and has an approved accounting system. It is proposed that labor and material be billed at actual costs with burden rates billed on a provisional basis, subject to adjustment on audit. The proposed provisional rates are currently approved for use on CPFF contracts. Cost Analyses are enclosed on Items 1, 2 and 4.

It is our understanding the proposed modification is for resale, therefore, no sales tax has been included in the prices quoted.

In order to have a modified "B" Unit available in time for initial flight tests it is requested that we be authorized to proceed at the earliest possible date. Upon authorization to proceed, the required security arrangements in the laboratory and engineering areas can thus be completed prior to the receipt of the first equipment for modification.

With the modified "B" units the program will have fully developed and reliable equipment available initially which will produce results of useful quality.

I trust you will find this proposal in accordance with your plan.

Very truly yours,

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DYNAMETRIC, INC.



President

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Enclosure (1)

COST ANALYSIS

Estimated Cost, Item 1, Engineering and Manufacturing to Modify One (1)
B Unit

Engineering	
2,510 hrs. @ \$5.75/hr.	\$14,432.50
Drafting	
1,330 hrs. @ \$2.75/hr.	3,657.50
Shop	
1,100 hrs @ \$3.25/hr.	3,575.00
Assembly	
930 hrs. @ \$3.00/hr.	2,790.00
Test	
1,110 hrs. @ \$5.00/hr.	<u>5,550.00</u>
Total Direct Labor	\$30,005.00
Burden @ 95%	<u>28,504.75</u>
Total	\$58,509.75
Purchased Parts	17,975.00
Handbook Revisions	<u>2,500.00</u>
Total	\$78,984.75
G & A @ 10%	<u>7,898.48</u>
Total	\$86,883.23
Fee @ 7%	<u>6,081.83</u>
Total	\$92,965.06

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Enclosure (2)

COST ANALYSIS

Estimated Cost, Per Unit, Item 2, Modify Two B Units

Engineering		
140 hrs. @ \$5.75/hr.	\$	805.00
Shop		
1,100 hrs. @ \$3.25/hr.		3,575.00
Assembly		
930 hrs. @ \$3.00/hr.		2,790.00
Test		
250 hrs. @ \$5.00/hr.		<u>1,250.00</u>
Total Direct Labor		\$8,420.00
Burden @ 95%		<u>7,999.00</u>
Total		\$16,419.00
Purchased Parts		<u>10,200.00</u>
Total		\$26,619.00
G & A @ 10%		<u>2,662.00</u>
Total		\$29,281.00
Fee @ 7%		<u>2,049.67</u>
Total		\$31,330.67
Two each at \$31,330.67		\$62,661.34

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Enclosure (3)

COST ANALYSIS

Estimated Cost, Item 4, Field Service Engineering For Flight Test Phase

Direct Labor

9 man months @ \$900.00/mo. \$8,100.00

Burden @ 50% 4,050.00

\$12,150.00

Per Diem

270 days @ \$9.00/day 2,430.00

Transportation

750.00

\$15,330.00

G & A @ 10%

1,533.00

\$16,863.00

Fee @ 7%

1,180.41

\$18,043.41

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Enclosure (4)

SCHEDULE OF EQUIPMENT TO BE DELIVERED BY DYNAMETRIC, INC.

- 3 ea. **B Unit Modified in accordance with recommendations in DynaMetric Technical Proposal dated 26 February 1960**
- 1 ea. **Electrical Test Set Adaptor - Field**
- 6 ea. **Handbook (Revisions) - Modifications of B Unit**
- 1 ea. **Handbook (Revisions) Repro - Modifications of B Unit**
- 6 ea. **Electrical (Revisions) Schematic - Modifications of B Unit**
- 1 ea. **Electrical Schematic (Revisions) Repro - Modifications of B Unit**
- 1 ea. **Set Spare Parts for Modifications**